

FISCAL NOTE
SB 2335 - HB 2289

April 8, 2002

SUMMARY OF BILL: Adds a new section to TCA 9-4-5103 relative to the classification of expenditures that must be included in the budget document as follows:

- requires each department, office, and agency of the state government to include with the estimate of expenditure requirements a detailed accounting of the source and expenditure of all funds received by such department, office or agency during the preceding 12 months, regardless of the source of such funds. The information submitted shall be subject to audit by the comptroller of the treasury.
- The act would take effect July 1, 2002.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant*

Estimate assumes most requirements of the bill can be met using the existing budget and accounting procedures currently in place.

Under current law, agencies submit detailed program budget requests to the Commissioner of Finance and Administration. These requests indicate by budgetary unit (program level at which appropriations are made) the expenditures by object and funding by source, including state appropriations and departmental revenues. Expenditures by object include such items as regular salaries, longevity pay, overtime, benefits, travel, maintenance, supplies, equipment, rent, professional services, grants, and various other operational costs. Departmental revenues include federal grants, interdepartmental revenues, current services revenues (usually fees for services), non-governmental revenues, and revenues from local governments.

**If the intent of the bill is to separately identify the expenditures by object for each discrete funding source, then both the budget system and the state accounting system would have to be re-developed. The costs of redeveloping the budget and accounting systems would be a multi-year project, and the development cost would exceed \$1,000,000.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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